demands of the several Departments are growing and several works of public utility have to be attended to.

I hope the Member for Cranganur will kindly ponder over the matter and any suggestion he may make would receive earnest consideration at the hands of the Government. The remedies he has suggested so far appear to be the apportionment of the 'Customs Revenue' to increase the receipts under Cranganur and the reduction of pension charges, cost of establishment, etc. As far as possible only officers drawing lower pay are posted to Cranganur, and the present charges on account of pension seem to be comparatively low when compared to the other option of paying pensionary contribution to the State like the Devaswam Department. Apart from the propriety or otherwise, the apportionment of the 'Customs Revenue' is fraught with difficulties, and I am not in a position to state anything positively on the point.

The year 1106 is expected to close with a net asset of Rs. 2,87,595 to the credit of the Principality as against Rs. 3,21,285 according to the actuals of 1104 and Rs. 3,10,425 according to the revised estimate for 1105.

Conclusion.

Sir,

In thus placing before you the budgetted programme for the next year, I hope that I have made an attempt not only to explain the dry facts and figures but also to show, in however feeble a manner it may be, how the budget is a reflection of the progressive ideals which the Government have set up before themselves to follow in advancing the material and moral interests of the people. Before resuming my seat it is now once more my most pleasant duty to pay my humble tribute to the Members of the Standing Finance Committee for the great pains taken by them and the valuable suggestions they have made in the course of the discussions of the budget which I have now presented.

President's Statement on the budget for 1106 M. E.

President.—The Hon'ble Finance Member has presented the budget for 1106 and delivered a very interesting and illuminating speech. He has referred to the salient features in the budget in as clear and full a manner as possible, and I have no doubt that all will agree with me in saying that he has played his part well and deserves our hearty congratulations.

In my statement on the budget of 1105 made immediately after the Finance Member concluded his speech, I made an attempt to explain our true financial position and to point out that the charge made against the Government of hoarding sur-

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pluses year after year without caring for the essential needs of a progressive administration had no true foundation, and I then said that it should be our endeavour to have as a reserve an amount equal to one year's receipts. Going by the figures in the budget for 1106, it would appear that we are far from realising any such hope. The present budget is more or less a balanced one, showing only a sum of Rs. 37,000 as surplus after meeting all the expenditure from the receipts of the year. Our surpluses would certainly have been far larger, had we not been cautious in estimating the receipts under 'Customs' in the year 1106. As against the actual receipt of Rs. 15,83,800 in 1105, we have estimated a receipt of only Rs. 11 lakhs, in other words, Rs. 4,88,800 less, and I think the Finance Member has given satisfactory reasons for fixing the amount at the low figure of Rs. 11 lakhs.

I do not wish to deal with the figures in the budget at any great length, and I shall not tire your patience by repeating what has been already fully dealt with by the Finance Member. The demands on our resources are on the increase year after year and, in view of our large commitments in connection with the Cochin Harbour and Railway, we have to regulate our expenditure in such a manner as not to give room for anxiety about the future. As regards the Cochin Harbour, our main burden at present is the payment of the charges for the Vendurutti reclamation, and you might have noted that this process of reclamation is still going on. As regards the Railway, the question has become almost a pressing one, and the conversion into broad-gauge has been delayed mainly for want of funds. We approached the Government of India for a loan of Rs. 60 lakhs, but that Government has not found its way to comply with our request. The Government of India's disinclination to sanction the loan may ultimately be to our advantage, for it may justifiably be pointed out why the State should go in for any loan at all, when it has very nearly a crore of rupees in its own hands. I do not think that the circumstances at present are favourable for floating a loan in the open market, and it may perhaps be a wise course to take the necessary amount from our surplus for meeting the expenditure. The final word on the subject has not been said, but we have to take a decision at the earliest opportunity.

Besides the Harbour and the Railway, which would tax our resources to a considerable extent, there is the Hydro-Electric scheme at Poringalkuttu about which I made a reference last year. What I then pointed out was that it was time to make an earnest endeavour in tapping this valuable resource on which depended to a considerable extent the material

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prosperity of our State. I took occasion to add that "it is felt that our commitments in regard to the Harbour and the Railway are great, but that should not stand in the way of developing this important resource of the State". In accordance with the assurance then given, I lost no time in going to the waterfall with my Chief Engineer and the Conservator of Forests to ascertain the exact situation. After carefully considering the matter, a decisive step has been taken to push on with the three distinct processes connected with this development. The reconnoitring of the forests tapped by the proposed Tram line from Karaparakutti to Poringalkuttu was started and completed. The survey for extending the Tram line from Karaparakutti to Poringalkuttu is almost nearing completion. The estimates for the construction of the Tram line which is about ten miles are also under preparation. The investigation at the Head Works by the Special Engineer is also proceeding briskly. From what I learnt about the investigation so far made, I may say that, when the scheme materialises, our chief task would be to find a market for the power, for there cannot be any doubt as to our commanding considerable power by reason of the fruition of the scheme. I would like to lay emphasis on the fact that development of this Hydro-Electric scheme is as important as the development of the Harbour and the Railway, and all endeavour should be made to push on with the scheme and complete it as early as possible.

We all must feel grateful to the Finance Member for having furnished us with the figures relating to the expenditure in regard to what is known as the Development Departments for the years 1101 to 1106. Actual figures are available for the four years 1101—1104, and the revised estimate figures for 1105 and the budget estimate figures for 1106 have also been given. The figures speak for themselves, and you will be pleased to note that there is steady increase in expenditure under "Agriculture and Panchayats", "Co-operation", "Medical and Sanitation" "Scientific, etc., Departments", "Public Works" and "Uplift of the Depressed Classes".

I wish to bring to your notice a new feature in the budget for 1106, and it is this. It will be observed that a sum of Rs. 50,000 has been provided under "Public Works" and another sum of Rs.20,000 under "Panchayats" for the purpose of meeting the expenditure in connection with works sanctioned in 1105 and which were not for some reason or other taken up in that year or which were taken up for execution but not finished. I need hardly point out that it is very essential that the sanctioned works of the year must not be left unexecuted, and that a charge on this account was laid on the Departments concerned on the floor of this House. The question was elaborately discussed at the recent meeting of the Standing Finance

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Committee, and it was suggested that progress reports should be called for in respect of the budgetted works. I need hardly say that a rigid adherence to the programme laid out in the budget is extremely desirable and that the execution of the works budgetted in 1106 is taken up in hand very early in the year, so that we may not be put to the necessity of rushing through a lot of costly works at the close of the year.

I think it necessary to say a word about the provision of Rs. 60,000 and odd made for the protective works in connection with the Karuvannur flood water. The recent Government order on the subject was passed on the basis of the Chief Engineer's elaborate report presented after a detailed investigation, and a beginning has now been made for the solution of this important and pressing problem. The Government feel confident that the carrying out of the scheme in the successive stages will bring about the required result, and the people will have no anxiety about the disastrous consequences of the flood to which they were subject till now.

The subject of communications either by road or water is one to which the Government have been paying particular attention. A net-work of trunk roads connecting with the villages by village roads is absolutely necessary for both urban and rural prosperity, and the Government have been keenly alive to the necessity of bringing into existence as many roads as possible in accordance with the finances at their command. I consider it specially fortunate that I was in a position to visit many of the villages in the State and try to learn their actual requirements. I feel also bound to admit that there are not a few villages which were not possible for me to enter by reason of want of adequate communications. If both the Public Works and the Panchayat Departments will work in unison, I think it practicable to realise the ideal referred to above and have easy access to all the villages in the State. I am happy to state that a vigorous programme for improving communications is being worked out, and I have no doubt that no villager will have cause to complain hereafter that he has no means of getting out of his village with ease and convenience.

The Government have as usual been making liberal grants in matters relating to water-supply, uplift of the depressed classes, sanitation and conservancy and education. A sum of Rs. 3 lakhs has been provided for the construction of buildings for the Maharaja's College at Ramavarmapuram. The provision of Rs. 3 lakhs made in 1105 has not been fully utilised and whatever is left unspent will be voted for as an additional grant for the purpose of the Maharaja's College. I may point out, as I did last year, that no amount out of this large provision will

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be diverted for any other purpose, and the aim of the Government is to effect the shifting of the Maharaja's College to Ramavarmapuram at the earliest possible date. Now that the scheme of shifting has once for all been settled and that the construction of the necessary buildings has been started, there is not any likelihood of the further works being delayed and, by providing the balance of the amount required in the budget of 1107, all the requisite buildings would be completed, and the location of the Maharaja's College at Ramavarmapuram will, I hope, be an accomplished fact in 1108.

I would like to say a word about the Government contribution to the four Municipalities in the State. In accordance with the decision of the Government to maintain the trunk roads under the Department of Public Works, a sum of Rs. 25,000 was provided in the budget of 1105, and I had occasion to say this time last year that the maintenance of trunk roads in the Municipal towns by the Government would be a great relief to these Municipalities. This assumption of the Municipal trunk roads by the Government was conceived in the best interest of the Municipalities but, unfortunately, this decision of the Government was not appreciated and their action was resented by the Municipalities. The matter was the subject of an adjournment motion in this Council at one of its meetings, and it was further discussed at one of the Municipal Conferences held in Mattancheri recently. There was some talk on this subject at the recent meeting of the Standing Finance Committee, and one of the non-official Members of the Committee remarked on the significant absence of any Government contribution to the Municipalities. A sum of Rs. 50,000 has been provided in the Sanitation budget of 1106, and the various amounts making up this half a lakh are intended for the maintenance of the trunk roads in the Municipal towns. The resolution passed at the recent Municipal Conference is to the effect that the Department of Public Works is at liberty to maintain the Municipal trunk roads under the control and supervision of the respective Municipalities. I do not know how far this can be carried out in actual practice and, if the Municipalities are not in favour of the Government having anything to do with the maintenance of the trunk roads within the Municipalities, the question will have to be seriously considered as to whether the Government should ever go in for a work which is not appreciated by those for whose benefit it has been intended. We had enough talk on this subject, and the suggestion was made at the Standing Finance Committee meeting that it would be more appropriate to specify the sums given to the Municipalities by the Government as contribution. The Government, I trust, will have occasion to review the

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whole question when the resolution of the Municipal Conference comes before them for consideration.

I think that, on an occasion like this, it is incumbent upon me to say a few words on the Special Finance Committee's report and the orders passed on it. The delay to pass orders on the matter was the subject of comment in this Council many a time. The Special Finance Committee was engaged in the task of overhauling the services of the State. It was an elaborate work they undertook, and they took a sufficiently long time in presenting their report. The recommendations of the Special Finance Committee were considered at a special sitting of this Council in Kanni last. With these materials before the Government, some time was taken in passing final orders, and what they are has now been made public. This Council had not the opportunity of expressing their views on the orders of the Government, and I have no doubt that whatever their views are will be freely given expression to at this session. I feel bound to bring to the notice of the Hon'ble Members that the task of giving effect to the scheme was attended with no small difficulty, for instead of allowing the Government an early opportunity to give effect to the scheme, representations were made pointing out the inadequacy of the scheme of reorganisation and requesting for a further revision of the pay. If these representations were taken into consideration, the bringing of the scheme into practical operations will have to be put off for a considerably long time, and it was deemed proper, in the interests of all concerned, that immediate effect be given to the scheme by carrying out the orders to the very letter. I am aware that there may be hard cases here and there where relief is necessary, but this is a matter which has to be attended to after the scheme is brought into force. I have also to point out that the present reorganisation scheme has not been done for all times to come and that, in the interests of a progressive administration, reorganisations have to be resorted to at periodic intervals.

I shall now bring my general observations on the budget for 1106 to a close, and my only request to the Hon'ble Members is that, in the general discussions that follow for 2 days and in the discussion of the various demands of the Government, such criticisms would be offered which would be of practical help to the Government in carrying on their administration on more and more sound lines, and I shall feel profoundly grateful for the same.

We shall now rise for the day.

The House rose for the day at 1-16 p. m.

T. K. KRISHNA MENON,
Secretary to the Council.

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